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IN THE
Supreme Court of the United States

OCTOBER TERM, 1948

No. 481

THE AMERICAN FOUNDRY EQUIPMENT
COMPANY,

vs.

Petitioner,

PANGBORN CORPORATION,

Respondent

**BRIEF FOR RESPONDENT IN OPPOSITION TO PETI-
TION FOR WRIT OF CERTIORARI**

Foreword

The record accompanying the petition for a writ of certiorari in Case No. 480 is more comprehensive than that filed with the petition *sub judice*, including practically everything the latter record does, other than its addendum, and additional relevant matter. Therefore in this brief, for the more convenient consideration of the case by the Court, we will use the record in Case No. 480, as may seem desirable, employing the prefix "PR." in page references.

The copy of the complete record in Civil Action No. 193, which was certified by the Clerk of the District Court to the Clerk of the Court of Appeals for the Third Circuit, has been duly certified and forwarded to the Clerk of this Court.

It is applicable here and in Case No. 480.

In the present brief petitioner will be called "American" and respondent "Pangborn." The action involving the validity and infringement of the Peik patent No. 1,953,566 will be called "The Pittsburgh Suit"; American's machine will be called by its trade name—"Wheelabrator"; and the Pangborn machine (the accused machine in "The Pittsburgh Suit") by the name under which it was marketed—"RA Rotoblast."

The "Wheelabrator" is the machine disclosed in American's Hammell application S. N. 725,055, filed May 11, 1934, hereinafter referred to.

The "RA Rotoblast" is the machine of Pangborn's application S. N. 726,188, filed May 17, 1934, and its Rosenberger and Keefer patent No. 2,352,588, granted June 27, 1944, upon application S. N. 382,256, filed March 7, 1941 (after Interference No. 71,085, to be referred to, was a closed book) as a continuation in part of the Rosenberger and Keefer application S. N. 726,188.

On July 1, 1940 in Interference No. 71,085 the United States Court of Customs and Patent Appeals affirmed the decision of the Board of Appeals of the Patent Office awarding priority of invention to Pangborn's Rosenberger and Keefer application S. N. 726,188, and adversely to American's Peik application S. N. 685,025. The principal interference counts substantially correspond to claims 7 to 10 of patent No. 2,352,588. Said interference was initially declared between application S. N. 726,188 and the application of Hammell S. N. 725,055, but on American's motion and over Pangborn's objection was re-formed by substituting the Peik application S. N. 685,025 for the Hammell application. The decision of the United States Court of Customs and Patent Appeals was final in said Interference No. 71,085, and is *res judicata* as to the parties to this

petition not only as to Rosenberger and Keefer (Pangborn), on the one hand, and both Hammell and Peik (American), on the other, but as to any other application for patent which American then owned disclosing subject matter which might have been contested in the interference.¹

The application for the Peik patent No. 1,953,566 was substituted in early 1934 for the Peik application S. N. 685,025 and the latter permitted to abandon.

After the "RA Rotoblast" had been disclosed to the Foundry Industry and was being sold in substantial quantities late in 1934, American upon a false and fraudulent showing made in support of a petition filed in March, 1935, induced the Patent Office to revive the Peik application.²

In "The Pittsburgh Suit" American, by corruption and fraud perpetrated in the Patent Office and by fraud perpetrated in the Courts, induced the latter to hold (1) that the Peik patent No. 1,953,566 is for a genus invention, functioning, *inter alia*, to effect directional control of the abrasive stream, and (2) since the "RA Rotoblast" is so contrived that this function may be obtained, or effected, it infringes the patent. No comparison was made of any patent claim, as to its subject matter, with the accused machine.

By the revival of the Peik application S. N. 685,025 as aforesaid, American sought to obtain a species patent with a claim dominating the "RA Rotoblast" impeller, characterized by a plurality of blades and an unobstructed axial passage.

¹ Patent Office Rules 109, 132; *Morgan v. Daniels*, 153 U. S. 120; *In Re Hoover Co.*, 134 Fed. 2d 624; *Chase v. Coe*, 31 F. Supp. 935, 122 Fed. 2d 198.

² Because of this fraud, the present Commissioner of Patents, by a decision of July 19, 1948, vacated the order reviving the Peik application and dissolved it out of Interferences Nos. 74,841 and 75,177 (PR. 398).

American's Statement Requires Correction and Amplification

"The Pittsburgh Suit" was commenced by a complaint averring, *inter alia*, that Pangborn had infringed the Peik patent No. 1,953,566 by the manufacture, use and sale of the "RA Rotoblast," which the District Court, in said suit, accorded, as its date of invention, November 21, 1933. Prior to the *prima facie* effective date of the Peik patent.

However, Peik was accorded a date of invention of March 7, 1933, because of a drawing of that date disclosing substantially the machine of application S. N. 685,025, and said application, which as filed constituted constructive reduction to practice of the machine thereof.

Claim 16 of the Peik patent was selected as typical of the claims in suit. The Court of Appeals found that claim 16 had been infringed because the accused machine "embodies the fundamental concept of the Peik patent, namely, directional control"; a function, or effect, not mentioned in any claim in suit.

To justify (1) the infringement finding, and (2) the carrying of the date of invention of the subject matter of claim 16 back of the date of filing of the application for the patent by the machine of the Peik application S. N. 685,025, it was necessary to find that the machine of the latter and the "RA Rotoblast" both equal the subject matter of claim 16.³

The Court of Appeals in its decision of August 12, 1946 found that they are dissimilar (PR. 315a), saying:

"* * * for nothing in that application [S. N. 382,256] or in S. N. 726,188 [these applications disclosing the "RA Rotoblast"] was embraced within the disclosures of Peik's S. N. 685,025."

³ Euclid's axiom.

Following the affirmance of the interlocutory decree in "The Pittsburgh Suit", Pangborn filed in this Court a petition for a writ of certiorari, which was denied October 9, 1939 (308 U. S. 566). In opposition to the petition, American contended that the decisive questions presented were fact questions. One question presented was whether infringement could be sanctioned by a Court in a case wherein the accused machine corresponded to that of the patent declared on solely in accomplishing a useful function. That is not a fact question.

December 10, 1940, the Grocholl patent No. 2,224,647 was granted. Thereupon there was exposed to the public, for the first time, that the proofs and arguments of American in "The Pittsburgh Suit" are antithetical to its proofs and arguments in the Patent Office in Interference 72,090, *Hollingsworth v. Grocholl*. Application S. N. 534,249 for the Grocholl patent was involved in this interference with American's Hollingsworth application S. N. 570,782.

Therein American's proofs and arguments were that machines of its Hollingsworth application had been successfully used in this country as early as 1929 and constituted "prior uses" to the Grocholl application, having an International Convention date of May 10, 1930.

The issue of Interference No. 72,090 defined one species of directional control, centrifugal, blasting machine.

Having prevailed on priority because of its Hollingsworth "prior uses," American thereupon filed a "Protest" against the issuance of any patent on the Grocholl application. By its maneuvers stemming from its corruption of its Hollingsworth application the issuance of the Grocholl patent was delayed until after the Court of Appeals' affirmance of the District Court's decree in "The Pittsburgh Suit." Such intrigue had the effect of making away with evidence which otherwise would have been available to Pangborn for defeating the Peik patent, namely, a patent on the Grocholl

application such as that which ultimately did issue thereon and both discloses and claims a directional control blasting machine. Indubitably the effective date of the Grocholl patent antedates Peik's advent.

Subsequent to the denial of the certiorari petition, Pangborn filed in the Court of Appeals a petition for leave to file in the District Court a petition for leave to file a bill in the nature of a bill of review and for a rehearing, based upon newly discovered evidence; namely, the proceedings in the Patent Office relating to Interference No. 72,090, exposed to the public upon the issuance of the Grocholl patent. The Court of Appeals granted the petition.

The District Court treated the petition subsequently filed as one solely for a rehearing, and denied it, primarily on the rule of *United States v. Throckmorton*, 98 U. S. 61, even then not followed in the Third Circuit (*Publicker v. Shallcross*, 106 Fed. 2d 949).

The District Court also erroneously assumed that the Court of Appeals had considered the German Weber and Grocholl patent (not even mentioned in its own opinion) for a directional control, centrifugal, blasting machine, which was the basis for the Convention date accorded the United States Grocholl application. The District Court also criticized Pangborn for not taking testimony abroad re the operation of the machine of this German patent; failing to recognize that such evidence is inadmissible (*Permutit v. Wadham*, 13 Fed. 2d 454).

The District Court in denying the petition also leaned heavily on the opinion in *Egry Register Co. v. Standard Register Co.*, 1 Fed. 2d 11, which is bottomed on the *United States v. Throckmorton* rule.

Following immediately the March 23, 1939 decision of the Court of Appeals in "The Pittsburgh Suit," Pangborn commenced to substitute in its customers' plants for the

"RA Rotoblast" a new directional control, centrifugal, blasting machine which it had designed, commenced to market and called the "RF Rotoblast." This machine is still being marketed with great success.

American asserted the new machine infringed the Peik patent and moved to have it included in the accounting in "The Pittsburgh Suit." Testimony was taken by the parties directed to the question whether the new machine should be included in said accounting. American at the time was asserting that its ultimate recovery in "The Pittsburgh Suit" would be in excess of \$1,000,000.00.

Without an appeal available from the denial of its petition for rehearing Pangborn by economic duress was forced to settle American's claims upon the best obtainable terms. The settlement made is incorporated in an instrument executed by the parties on December 31, 1941. *Inter alia*, that agreement provides for the payment by Pangborn to American of \$450,000.00 in settlement of the latter's claim to the date of the instrument; the payment of a royalty of \$150.00 for each "RF Rotoblast" Pangborn might market; and a royalty of 4% of the net sales price of all repair and replacement parts therefor, such as runner heads, spouts, bearings, spindles, etc., which it might market; none of which are within the purview of any claim of the Peik patent. American received the \$450,000.00 payment upon the agreement being executed and has continued to date to collect the royalties aforesaid.

Pangborn further agreed not to manufacture, or market, the "RA Rotoblast" during the remainder of the life of the Peik patent, or to manufacture and market any replacement parts therefor. None of the latter constitutes the subject matter of any claim of the Peik patent.

Paraphrasing the words of the Chief Judge of the Court of Appeals for the Third Circuit in the *Hazel-Atlas* case,

137 Fed. 2d 764, l. c. 776, Pangborn "probably made the best of a bad position and settled the litigation because it had lost its case, but that settlement scarcely included a waiver of or acquiescence in a fraud."

Moreover, it is "immaterial that the injured party may have been derelict in bringing the fraud [in a patent suit] to the court's attention," the matter being one not of "merely private concern," but "of vast public importance." (*Root Refining Co. v. Universal Oil Products Co.*, 169 Fed. 2d 514, l. c. 522.)

In Pangborn's answer filed August 23, 1943 (PR. 142a) to defendant's counterclaim, it is averred that the decree and judgment obtained in "The Pittsburgh Suit" were obtained by fraud and deceit, which is recited in detail in paragraphs (b) (1) and (2), (PR. 142a, 143a).

It is also averred in paragraph (c) (PR. 143a) that by American's fraud and deceit the District Court in "The Pittsburgh Suit" was misled to hold that the Peik application S. N. 685,025 was "now pending," whereas in fact it was a nullity, having been unlawfully and improvidently revived (PR. 398).

In paragraph (d) (PR. 144a) it is set forth that American, because of its practice of fraud and deceit, is not in court with "clean hands," and is not entitled to affirmative relief of any sort, and that its counterclaim should be dismissed.

The fraud and deceit practiced by American in "The Pittsburgh Suit" is also averred in paragraphs (f) and (g), (PR. 144a, 145a).

In paragraph 7 (PR. 150a) of Pangborn's answer, it is averred that due to the fraud and deceit practiced by American, as therein particularly set forth, the judgments of the Courts in "The Pittsburgh Suit" were obtained, "whereby plaintiff was damaged in a large amount averred to be in excess of the sum of \$700,000.00," and it was prayed,

under the general prayer for relief, that a master be appointed to determine the amount of such damages and that Pangborn be given judgment for the same with costs, and that an injunction be issued enjoining American from asserting the decree in "The Pittsburgh Suit" in any proceedings against Pangborn, or in any respect calculated to damage it.

The proofs and representations made by American in the Patent Office, and particularly in Interference No. 72,090, antithetical to American's proofs and representations made in "The Pittsburgh Suit," are averred particularly in paragraphs 18 to 20, inclusive, of the amended complaint (PR. 180a-189a); never answered (Rule 15(e), R. C. P.).

The concealment of the Hollingsworth 1929 "prior uses" averred by American itself in Interference No. 72,090, and its delay of the issuance of a patent on the Grocholl application, stemming from the corrupted Hollingsworth application and including the proceedings in said Interference No. 72,090 and the subsequent Protest filed by American, are also averred in the proposed amendment to the complaint forming a part of Pangborn's motion filed May 15, 1944 (PR. 196a), which sought to have added to the prayers of the complaint the following:

Prayer 10, for an injunction inhibiting American from the further enjoyment of the decree obtained in "The Pittsburgh Suit" and from attempting further to enforce the Peik patent against Pangborn;

Prayer 11, which asks that Pangborn be awarded as partial restitution the sum it paid American December 31, 1941, and in addition an amount equal to all subsequent royalty payments, and the damages it sustained by reason of the decree and judgment in "The Pittsburgh Suit"; and

Prayer 12, which asks that Pangborn be awarded a sum equal to three times its actual damages by reason of Ameri-

can's violation of the Anti-Trust Laws by unlawfully monopolizing, or attempting so to do, the manufacture, use, or sale of directional control, centrifugal, blasting machines.

Abandonment by American of the Right Obtained May 3, 1945 to File an Amendment and Supplement to Its Counterclaim.

There is no pleading lawfully filed in Civil Action 193 corresponding to that to which is addressed the petition in Case No. 481, i.e., the petition *sub judice*.

The right granted American May 3, 1945 (PR. 273a) to file an amendment and supplement to its counterclaim was abandoned by American probably because it conceived that the primary purpose desired to be accomplished had been substantially obtained by the injunctive order of May 28, 1945 (PR. 276a). When the Court of Appeals reversed this injunctive order (PR. 315a), American belatedly sought to file a document of the character contemplated by the "order" of May 3, 1945. With supersonic speed, it lodged with the Clerk of the District Court, while Civil Action No. 193 was still in the bosom of the Court of Appeals and without obtaining leave of that Court, the paper which calls itself "Amendment and Supplement to Defendant's Counterclaim." It is a nullity.

American Acquiesced in the District Court's Inclination to Dismiss the So-called Amendment and Supplement to the Counterclaim, Lodged August 13, 1946.

Following the Court of Appeals' mandates, an oral argument was had before the District Court with respect to further proceedings in Civil Action No. 193. The Court proposed that the attorneys for the parties submit memoranda on the point. The Court said that he was "tempted to dismiss the original claim and the counterclaim and set

aside the order giving permission to amend it." The attorney for American expressed his acquiescence.

Decrees were thereafter filed (PR. 339a-344a), in which the District Court vacated his reversed orders and also denied American's contempt petition.

Pangborn filed suggestions as proposed by the Court (PR. 345a).

American likewise filed suggestions on March 17, 1947.

The first section of the latter is confined to the two questions designated (1) and (2) in the opinion of the Court (PR. 362a).

Question 1 is substantially that of the May 28, 1945 injunctive order which was reversed by the Court of Appeals (PR. 315a). Question 2 is substantially that denied by the first order of the decree of the District Court (PR. 363a) and affirmed (PR. 399-400).

The second section is postulated on the allowance of American's motion of January 3, 1947 (R. 179a). The motion was denied (R. 198a; PR. 363a), and in consequence said second section requires no consideration.

The decree of the District Court is preceded by an opinion (PR. 361a), wherein, after indicating Pangborn's intransigence,⁴ the Court says (PR. 362a):

"American, on the other hand, raises no objection to getting the complaint and counterclaim out of the way and vacating the injunctive orders. It desires, however, to bring up, through a supplement to its counterclaim, a proceeding for declaratory judgment."

⁴ It had been suggested that the Court of Appeals in dismissing the complaint had its mind focused upon the fraud perpetrated in the Patent Office in obtaining the revival of the Peik abandoned application S. N. 685,025 (a matter it believed was solely within the jurisdiction of that tribunal), and did not have in mind the averments that the testimony and arguments of American in "The Pittsburgh Suit" are antithetical to its proofs in the Patent Office in Interference No. 72,090, and its representations therein regarding the Hollingsworth application.

This it sought to do by the amendment and supplement to its counterclaim constituting the subject matter of its motion of January 3, 1947 (R. 179a). The motion was denied in the Court's order of May 15, 1947 (R. 198a; PR. 363a). Neither this order, nor the motion of January 3, 1947, nor the proposed pleading to which the motion relates, nor the affirmance by the Court of Appeals of the denial of the motion, is included in American's petition for writ of certiorari *sub judice*.

American's Pleadings Filed Prior to the Court of Appeals' Judgment of August 12, 1946

At the date of the opinion of the Court of Appeals of August 12, 1946 (PR. 289a), the only pleading American then had on file was its answer and counterclaim of July 27, 1943 (PR. 109a). It had never deigned to file an answer to Pangborn's amended complaint filed March 6, 1944 (PR. 151a), as required by Rule 15 (c), R.C.P.

It also had filed the *motion* for the injunctive order of May 28, 1945, and the *contempt petition* resulting in the order of July 3, 1945. The District Court's orders on said motion and petition were both reversed by the Court of Appeals and subsequently the contempt petition was denied by the District Court.

This motion and petition diverted the Court's attention from the merits of this action from Aug. 21, 1944 (PR. 217a) to Jan. 17, 1947 (PR. 339a); caused the Courts to waste countless laborious hours; delayed the consideration of the controversies of other litigants; and compelled Pangborn to incur appalling expenses. If not guilty of corruption and fraud as charged, American should have been eager for a speedy judicial determination of the two outstanding questions in this action, namely (1) was fraud perpetrated in obtaining the revival order re the Peik ap-

plication S. N. 685,025; and (2) were corruption and fraud and deceit practiced by American in obtaining the decree and affirming judgment in "The Pittsburgh Suit."

American's Counterclaim of July 27, 1943

The *demands* of American in its counterclaim (PR. 128a, 129a) represented that the Peik application S. N. 685,025 was a good and valid application and that the Peik patent No. 2,212,451 sprang from an untainted source. Application S. N. 685,025 is the parent of patent No. 2,212,451. The latter can be no better than its parent. Moreover the claims of the patent are directed to inconsequential details (plate 60 and lug 61). The demands also assume that the Peik application, or American as its owner, was entitled to participate in Interferences Nos. 74,841 and 75,177.

That the application is tainted with fraud and that it was not entitled to participate in the interferences, conclusively follows from the decision of the Commissioner of Patents of July 19, 1948 (PR. 398). Ergo, American is not here with "clean hands".

Paper Entitled "Amendment and Supplement to American's Counterclaim", Lodged August 13, 1946 (PR. 316a)

In addition to the fact that American *abandoned* the privilege obtained by order of May 3, 1945 to file an amendment and supplement to its counterclaim and that it acquiesced in the District Court's expressed intention to dismiss the counterclaim as amended ⁵ (*supra* 10, 11), the *demands* thereof (PR. 322a, 323a) are such that this Court would not be justified in allowing the petition herein, the purpose of which is to obtain a reversal of said dismissal.

Demand (a) of the amendment (PR. 322a) is for an injunctive order practically the same as that granted by the Dis-

⁵ Counterclaim (PR. 121a) plus the paper lodged August 13, 1946 (PR. 316a-323a).

trict Court on May 28, 1945 (PR. 276a) and *reversed* by the Court of Appeals on August 12, 1946 (PR. 315a).

Demand (b), (PR. 323a) to the extent that it involves Interferences Nos. 74,841 and 75,177, involves a moot question, or at least interferences out of which American, because of its fraud, was dissolved by the Commissioner of Patents on July 19, 1948 (PR. 398).

To the extent that demand (b) seeks an order inhibiting Pangborn from asserting priority over Peik, it seeks to deprive Pangborn of the benefit of the final judgment awarding it priority in Interference No. 71,085, and from having the tainted Peik application treated other than as an abandoned application and a nullity. To the extent it seeks an injunctive order bottomed on the specifications and drawings (omitting the claims) of the Peik patent No. 1,953,566, it overlooks that a patentee's monopoly does not extend beyond the claims of his patent.

It further overlooks that there is no legal sanction for a Court by interpretation according a patent a scope not within the confines of the patent claim or which would inhibit others from obtaining a function, or effect, not obtained by the *same means* defined by the patent claim, or equivalent *means*.

Demand (c) (PR. 323a) is the same in substance as paragraph (6) of the demands of the amendment which accompanied the motion filed by American on Jan. 3, 1947 and denied by the District Court (PR. 363a). The denial was affirmed (PR. 400). Demand (c), if appropriate now, should have been filed with American's motion of Jan. 2, 1945 (PR. 271a) which resulted in the injunctive order of May 28, 1945, which was reversed (PR. 315a). American elected not to do so because it preferred to have patent No. 2,352,588 stand against its present and potential competitors, provided it could itself obtain, in effect, a royalty-free license

under the patent. When defeated (PR. 315a) it sought to obtain a slightly broader injunctive order.

Demand (d) seeks costs and attorney's fees. Not being entitled to demands (a), (b) and (c), American is not entitled to recover costs, or to obtain an allowance of attorney's fees; if there is any lawful basis for the latter allowance.

Moreover, American not being here with clean hands, it is entitled to no affirmative relief.

The Fundamental Error of the District Court in Civil Action No. 193

Indubitably the District Court was induced to believe that the subject matter of Pangborn's patent No. 2,352,588 is disclosed in the Peik application S. N. 685,025. Stated otherwise, that the invention of that patent overlaps upon the machine disclosed in the Peik application, and that in obtaining the patent Pangborn was endeavoring to dominate, patentwise, the machine disclosed by Peik.

Patent No. 2,352,588 was allowed by the Board of Appeals in the Patent Office with full knowledge of the Peik application S. N. 685,025 and the Peik patent No. 1,953,566. Indeed, in Interference No. 71,085 it held that the Peik application did not disclose the issue which then was being claimed in Pangborn's application S. N. 726,188. Months after its decision on the point had been affirmed by the United States Court of Customs and Patent Appeals and Interference No. 71,085 was a closed book, the broader of the counts of the issue, in substance, were incorporated in the application for patent No. 2,352,588.

The Board of Appeals had occasion to consider the claims *inter partes* (Interference No. 71,085) and several times *ex parte*.

There was no foundation whatsoever for the District Court's view that Hall, Pangborn's attorney, was guilty of misbehavior as an officer of the Court and therefore of contempt, because he did not inform the Court of the pendency of the application for patent No. 2,352,588 at the time the Court had under consideration motions by both parties hereto for an order inhibiting the parties from prosecuting Interferences Nos. 74,841 and 75,177 until the Court had opportunity to pass upon the merits of Pangborn's charge that the Peik application S. N. 685,025 had been revived on a false and fraudulent showing and therefore should be wholly dissolved out of both of these interferences.⁶

There was no occasion for the Court of Appeals, in reversing the District Court on either his injunctive order or his contempt order, to pass upon the question whether the District Court had erred in denying American's motion to dismiss the complaint. As the Court says in its opinion, this question was not before it on appeal, could not have been brought before it at the time, and was never argued.

Any ground for the reversals other than that which the Court of Appeals gives as "the second place" is *dictum*. In its opinion (PR. 315a) the Court says:

"In the second place it was an abuse of the court's legal discretion to issue it⁷ for, as we have demonstrated, Pangborn was at liberty to pursue the Rosenberger and Keefer application S. N. 382,256 in the Patent Office for nothing in that application or in S. N. 726,188 was embraced within the disclosures of Peik's S. N. 685,025. The tribunals of the Patent Office and the Court of Customs and Patent Appeals had so held."

⁶ On July 19, 1948 the present Commissioner of Patents decided both of these questions in favor of Pangborn and against American (PR. 398).

⁷ The "orders filed on May 31, and July 5, 1945, the first depriving Pangborn of any claim, or cause of action, against American based on Patent No. 2,352,588, the second finding Mr. Hall guilty of contempt."

Again the Court said (PR. 309a):

“* * * the ruling of the Court of Customs and Patent Appeals was squarely to the effect that Peik S. N. 685,025 could not reach the claims in interference. Pangborn, therefore, was entitled to pursue S. N. 726,188, or application S. N. 382,256, a continuation in part thereof, to a successful conclusion in the Patent Office.”

Again the Court said (PR. 315a and corrected opinion PR. 338a):

“The claims cancelled out of Rosenberger and Keefer’s S. N. 726,188 and transferred to S. N. 382,256, which matured in Pangborn Patent No. 2,352,588, cannot, as we have stated, fall within the scope of Peik’s disclosures in S. N. 685,025. The decision of the Court of Customs and Patent Appeals * * * was conclusive on this issue.”

Patent No. 2,352,588 was never involved in any interference, and the subject matter thereof was not involved in Interferences Nos. 74,841 and 75,177, or disclosed in the Peik application S. N. 685,025. The subject matter of no claim thereof overlaps upon the machine disclosed in either the Peik application or any patent ever issued to him. There was no occasion, for these reasons, for Pangborn’s attorney to call the District Court’s attention to the prosecution of this application for patent No. 2,352,588 when the latter had under advisement the granting of the *pendente lite* injunctive order, or at any other time. Moreover, Rule 15 of the Rules of Practice of the United States Patent Office expressly provides for the preserving in secrecy of pending patent applications.

As we have stated, on July 19, 1948 the Commissioner of Patents vacated the order reviving the Peik application because it was obtained fraudulently, dissolved the application out of both of the interferences last referred to, and

held the application to be abandoned; and no action has been taken to date seeking to have any tribunal review the Commissioner of Patents' decision.

Reasons for Denying the Writ

It is submitted that the petition for writ of certiorari in Case No. 481 should be denied, *inter alia*, for reasons as follows:

(1) Because the question presented is irrelevant and immaterial; omitting, *inter alia*, critical portions of the proceedings in Civil Action 193 (cf. *supra*, 10-12), and the use therein of the fraudulently revived Peik application.

(2) Because American *abandoned* the right accorded it by the order of May 3, 1945 to file an amendment and supplement to its counterclaim (*supra* 10).

(3) Because American *acquiesced* in the intention expressed by the District Court to dismiss all pleadings and all motions prior to American's motion of Jan. 3, 1947 accompanied by a proposed amendment and supplement to its counterclaim by which it sought to institute a proceeding for a declaratory judgment re Pangborn's patent 2,352,588 (PR. 362a) which the Court ultimately denied (PR. 363a) (*supra*, 10-12). The acquiescence, possibly, was made in an effort to incline the Court to grant the January 3, 1947 motion.

(4) Because the paper terming itself "Amendment and Supplement to Defendant's Counterclaim" was not filed until subsequent to the reversal by the Court of Appeals of the May 28, 1945, injunctive order, and without leave of that Court, and was calculated to obtain a second decision on substantially the same question (*supra*, 10).

(5) Because the paper named in the preceding paragraph (4) was lodged with the Clerk of the District Court without leave of the Court of Appeals and during the period the case was held for consideration by that Court (*supra*, 10).

(6) Because the "demands" (PR. 128a, 129a) of the counterclaim are bottomed upon assumptions as follows:

(a) That American, by reason of its Peik revived application S. N. 685,025, was entitled to be made a party to Interferences Nos. 74,841 and 75,177 and to participate therein; whereas said application had been revived by fraud before being made a party to said interferences and on July 19, 1948 the order reviving the application was vacated and the tainted application dissolved out of said interferences (*supra*, 13).

(b) That Rosenberger and Keefer are not entitled to priority over Peik, whereas that question is a closed book, having been determined adversely to American by the Board of Appeals in the Patent Office and the latter's decision affirmed by the Court of Customs and Patent Appeals (*supra* 2, 3).

(7) Because the disclosure in the specification and drawings of patent No. 2,212,451 is irrelevant; since the application for it was a division of application S. N. 685,025, which was tainted with fraud when the division was made. Moreover, there was a hiatus of over six years between the date application S. N. 685,025 became abandoned and the date of filing of the application for patent No. 2,212,451. Therefore the latter is not entitled to the filing date of said application.

Had "demand" 3 of the counterclaim been granted when the latter was filed, Pangborn would have been in-

hibited from instituting and prosecuting the proceedings which led to the order of the Commissioner of Patents of July 19, 1948, dissolving the Peik application S. N. 685,025 out of Interferences 74,841 and 75,177 because the application had been abandoned and revived upon a fraudulent showing made by American.

(8) Assuming that the paper lodged August 13, 1946 by American with the Clerk of the District Court was duly filed pursuant to leave first obtained, it is no more than an addition to the counterclaim filed July 27, 1943, (PR. 121a) which exhibiting the fatal infirmities aforesaid, inhibits favorable consideration being accorded a motion for leave to add thereto.

(9) Demand (a) of this paper lodged August 13, 1946, seeks the re-trial of substantially the same question which was considered by the District Court and resulted in his injunctive order of May 28, 1945, which, on appeal, was reversed by the Court of Appeals (*supra*, 14).

(10) Demand (b) of this paper, to the extent that it involves Interferences 74,841 and 75,177, presents a moot question since, because of the fraud it perpetrated in the Patent Office, American has been dissolved out of these interferences (*supra*, 14). To the extent that said demand (b) seeks to inhibit Pangborn from contending that Rosenberger and Keefer are entitled to priority over Peik, it is an attempt to effect the retrial and redetermination of the question finally determined adversely to American on its appeal to the Court of Customs and Patent Appeals in Interference No. 71,085 (*supra*, 14).

(11) Demand (c) of this paper is in substance the subject matter of American's proposed amendment and supplement to the counterclaim submitted with its motion of January 3, 1947, which was denied by the District Court and the

denial affirmed by the Court of Appeals (*supra*, 14). No attempt has been made by American to have such affirmance revised, or reviewed.

Moreover, American manifestly elected not to present this question at the time it presented its motion resulting in the order of May 28, 1945, which was reversed by the Court of Appeals (*supra*, 14).

Furthermore, there is no jurisdictional basis averred to support the demand of this paragraph.

(11) American is not entitled to demand (d), or to file a counterclaim addressed thereto, for the reasons, *inter alia*, stated *supra* 15.

Moreover, American is entitled to no affirmative relief of any sort because of its use herein of its tainted Peik application S. N. 685,025, and in addition because of its attempt to use herein the tainted decree and judgment it obtained in "The Pittsburgh Suit."

Pangborn's Answer Filed January 6, 1948 (PR. 370a) Is Not Addressed to American's Motion Filed January 3, 1947 (R. 179a), or the Proposed Amendment and Supplement to the Counterclaim Which Accompanied Said Motion (R. 179a-194a), But, As Its Title States, to American's Paper Lodged August 13, 1946.

The Court of Appeals was evidently confused in respect to the statement made in the final paragraph (PR. 400) of its opinion of September 28, 1948, and in its judgment (PR. 400), re the direction to strike "Pangborn's answer to American's *attempted* amendment and supplement to its counterclaim, *a pleading which the court below in fact did not allow American to file.*" (Italics ours.)

Pangborn's answer (PR. 370a-391a) was filed out of an abundance of caution in response to the paper lodged by American on August 13, 1946 with the Clerk of the District

Court, and which paper entitles itself "Amendment and Supplement to Defendant's Counterclaim" (PR. 316a-324a).

Leave was obtained from the Court of Appeals (PR. 366a) to apply to the District Court for leave to file this answer, which was granted by the latter Court (PR. 369a).

In its opinion of September 28, 1948 the Court identified (PR. 399) the "attempted amendment" as follows:

(1) " * * * save as to the *final* amendment and supplement to the counterclaim *attempted to be made by American which the court below refused to grant leave to file.*" (Italics ours.)

(2) "By the *attempted amendment* and supplement to its counterclaim as amended (that is to say, by the *last pleading attempted to be filed by American*) * * *." (Italics ours.)

Should this Court ultimately permit American to treat the paper lodged with the Clerk of the District Court on August 13, 1946 as a duly filed amendment and supplement to its counterclaim, and ultimately reverse the judgment affirming the dismissal of American's counterclaim as amended, it is suggested that it direct that the "remand" for the purpose stated by the Court of Appeals (PR. 400) be vacated because there is no such paper as an "answer" to American's "attempted amendment."

Conclusion

In American's brief filed in the Court of Appeals May 13, 1948, it is said (p. 31) under the heading "Conclusion." *inter alia*:

" * * * the parts of Pangborn's answer which set up the judgment of this Court upon the former appeals as *res judicata* as to the issue of validity of Pangborn's Patent No. 2,352,588 and its defense of the Hollingsworth and Grocholl matters should now be

disposed of by this Court in the interest of justice and to the end that the litigation between the parties be not indefinitely prolonged."

And in Pangborn's reply brief filed June 22, 1948 under the heading "Conclusion" it is said (pp. 46, 47) *inter alia*:

"* * * we join in American's request (Reply Brief, p. 31) that the claims for relief involving fraud re Hollingsworth and Grocholl should preferably be disposed of by this Court without remanding, understanding that this means that this Court, in some appropriate way, will determine, or have determined, whether the affirmance by this Court in 'The Pittsburgh Case,' and the statement of this Court in its opinion of the status of the Peik patent and the scope of claim 16 thereof, were induced by fraud and deceit."

As pointed out, the present Commissioner of Patents has disposed, adversely to American, of the question whether the revival of the Peik abandoned application S. N. 685,025 was obtained by fraud and deceit.

In view of what is said in the cases cited in Pangborn's petition in Case No. 480, p. 21, in reference to the extirpation of fraud in patent suits, it is hoped that this Court will determine, or indicate some way of having speedily determined, whether corruption and fraud were perpetrated in "The Pittsburgh Suit" and in the related proceedings in the Patent Office.

Respectfully submitted,

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